

of thought. No investor is gratified to perceive his securities decline in value, and suggestions are 'not infrequently made that speculations for the "fall," or bear operations can be prohibited. Apart from the ridiculous impracticability of such a suggestion, the obvious statement which I have submitted fails to be remembered. If the prices fall by these sales, the careful investor buys and is thus benefited; and the existing investor is rendered hopeful of a sure recovery through the influence of the succeeding purchases involved in that process. . Through the operation of the feelings which form the motive power of investing, the tendency is always to a condition of equilibrium or a level state of values ; and perturbations at one time in one direction are invariably, where the security is intrinsically sound, rectified at another time in the restoration of the stable position.

Connected with these operations are various associations and acts whose object is, by systematic and organised procedure, to depress or elevate prices. A Syndicate * is usually a body of speculators who make purchases or sales in combination in order to attach an apparent activity or adverse aspect to the values of particular stocks as an inducement to the unwary public—who imagine that the change of price is genuine—to buy or sell according to the direction where the syndicate's expected profit lies. If the syndicate, for example, promote a rise by fictitious dealings, and the public respond by purchases at the increasing price, the syndicate sells at the profit thus created. These evil combinations are customarily attended by various devices and manoeuvres adapted to promote the designs of the operators. Eumours, for example, are circulated respecting the security—extolling or depreciating it as the case may be; pointing out promising prospects or the indications of vanishing prosperity: in short, whatever statements are likely to impress a credulous public with hope or apprehension. For the ordinary investor, generally speak-

¹ Syndicate : in the appropriation of this word to a class of financial transactions we seem to perceive a grim irony of use. The term is derived from syndic, which itself

represents the Greek *(rvvSiKos* (from *crvv*, with, and *si/ct?*, justice) as denoting one who assisted in a Court of Justice ; a subsequent meaning was that of advocating one's own cause. Comment may be safely omitted.